

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: Medford Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 13, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The schedule assumes payments are made on July 1 each year. For FY20, it appears payments for the City were made in late August. Going forward, if payments will not be made as of July 1, please advise your actuary to adjust the assumed payment date in the next actuarial valuation.

The System reduced the investment return assumption from 7.50% to 7.25% and updated the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Appropriation Forecast

Fiscal Year	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Unfunded Accrued Liability	Funded Ratio %**
2021	\$4,085,550	\$3,409,063	\$9,580,127	\$12,989,190	28.2	\$133,528,764	60.1
2022	\$4,273,888	\$3,481,421	\$10,546,904	\$14,028,325	29.5	\$129,121,096	62.4
2023	\$4,470,404	\$3,554,669	\$11,595,923	\$15,150,592	30.7	\$127,692,619	63.8
2024	\$4,675,442	\$3,628,780	\$12,733,859	\$16,362,639	32.1	\$125,053,149	65.5
2025	\$4,889,355	\$3,703,723	\$13,967,927	\$17,671,650	33.5	\$121,001,901	67.5
2026	\$5,112,515	\$3,779,468	\$15,305,914	\$19,085,382	34.9	\$115,354,966	69.8
2027	\$5,345,307	\$3,855,977	\$16,756,236	\$20,612,213	36.4	\$107,886,066	72.5
2028	\$5,588,132	\$3,933,212	\$18,327,978	\$22,261,190	38.0	\$98,343,226	75.7
2029	\$5,841,406	\$4,011,131	\$20,030,954	\$24,042,085	39.7	\$86,447,097	79.2
2030	\$6,105,564	\$4,089,685	\$21,875,766	\$25,965,451	41.4	\$71,887,285	83.2
2031	\$6,381,057	\$4,168,824	\$23,873,864	\$28,042,688	43.2	\$54,319,565	87.7
2032	\$6,668,356	\$4,248,494	\$26,037,609	\$30,286,103	45.1	\$33,362,514	92.7
2033	\$6,967,948	\$4,328,633	\$8,593,840	\$12,922,473	18.6	\$8,593,840	98.2
2034	\$7,280,344	\$4,409,178	\$0	\$4,409,178	6.1	\$0	100.0
2035	\$7,606,071	\$4,490,058	\$0	\$4,490,058	6.0	\$0	100.0
2036	\$7,945,681	\$4,571,199	\$0	\$4,571,199	5.9	\$0	100.0
2037	\$8,299,746	\$4,652,519	\$0	\$4,652,519	5.8	\$0	100.0
2038	\$8,668,862	\$4,733,932	\$0	\$4,733,932	5.7	\$0	100.0
2039	\$8,972,272	\$4,899,619	\$0	\$4,899,619	5.7	\$0	100.0
2040	\$9,286,301	\$5,071,106	\$0	\$5,071,106	5.7	\$0	100.0
2041	\$9,611,322	\$5,248,595	\$0	\$5,248,595	5.7	\$0	100.0
2042	\$9,947,718	\$5,432,295	\$0	\$5,432,295	5.7	\$0	100.0
2043	\$10,295,888	\$5,622,426	\$0	\$5,622,426	5.7	\$0	100.0
2044	\$10,656,245	\$5,819,211	\$0	\$5,819,211	5.7	\$0	100.0
2045	\$11,029,213	\$6,022,883	\$0	\$6,022,883	5.7	\$0	100.0
2046	\$11,415,236	\$6,233,684	\$0	\$6,233,684	5.7	\$0	100.0
2047	\$11,814,769	\$6,451,863	\$0	\$6,451,863	5.7	\$0	100.0
2048	\$12,228,286	\$6,677,678	\$0	\$6,677,678	5.7	\$0	100.0
2049	\$12,656,276	\$6,911,397	\$0	\$6,911,397	5.7	\$0	100.0
2050	\$13,099,245	\$7,153,296	\$0	\$7,153,296	5.7	\$0	100.0
2051	\$13,557,719	\$7,403,661	\$0	\$7,403,661	5.7	\$0	100.0
2052	\$14,032,239	\$7,662,789	\$0	\$7,662,789	5.7	\$0	100.0

** Beginning of Fiscal Year